

To: Payroll Clerks
Budgetary Managers
Software Vendors

From: Barbara Quinn,
Fiscal Services Bureau Chief

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The Montana Public Employee Retirement Administration (MPERA) with the help of our employers has successfully implemented Phase 1 of Employers Reporting All Employees (ERAЕ). ERAЕ arose from section 19-2-506(3), MCA, which requires the reporting of non-contributing employees. Currently we are developing Phase 2 of ERAЕ. We want to ensure that our employers and the vendors that support them understand our requirements for this phase and have sufficient time to implement the necessary reporting changes.

A technical write-up of the programming changes is available at <http://mpera.mt.gov/ERAЕ>. It includes the required file layout with highlighted changes and descriptions, and the new non-contributing values that describe the categories of employees. If you transfer and load a payroll file, the changes to the file format will ease the process of reporting non-contributing employees. Changes may also need to be made to your payroll procedures to identify and capture this additional information. If you manually copy forward, create a new payroll report or do not make the file format changes, you will need to manually enter this additional information.

To make this change as easy as possible for employers, MPERA will implement improved payroll reporting Web screens. MPERA will provide training to payroll clerks and will provide resources to assist in understanding and accurately report the non-contributing information and multiple lines.

For Phase 2, we ask that vendors have all file changes available for their customers by **January 30, 2009**. Training for employers will begin February 2009. The employers will be approved to access the new non-contributing functionality after they have received training.

The process will be mandatory for all employers as of the first payroll reported in fiscal year 2010.

Phase 2 will ask employers to report more detail for non-contributing employees. Employers must identify a non-contributing employee as an optional member, excluded employee or working retiree. If an employer has an employee that works in multiple positions or for different wage rates, functionality will be available to report the employees in multiple lines. This will save payroll clerks time when reporting payroll and in the future when MPERA needs job specific information for an employee.

If the non-contributing employee is:

- 1) an optional member, the employer must provide the reason why the employee is an optional member. The new functionality will provide notification when an employee is nearing the 960-hour limitation, if applicable, and will track the receipt of the Optional Membership Election forms. Optional Membership Election forms must be completed by the employee and filed immediately with MPERA.
- 2) an excluded employee, the employer must provide the reason why the employee is excluded.
- 3) a working retiree, the employer must complete and print the Working Retiree Certification form through the Employer Web Reporting system. Payroll clerks will still be required to obtain the necessary employer and retiree signatures before filing the forms with MPERA.
- 4) working for different wage rates or in multiple positions, employers are now able to report these employees using multiple lines. In the future, this will be a required reporting change. *This feature is available for contributing employees also.*

An on-line instruction guide will be available soon on how to enter the information for your non-contributing employees. Training schedules will be released in the near future. Watch for these and other important announcements for payroll clerks on the Employer Web Reporting system.

If you have questions regarding your file layouts, contact June Dosier at (406) 444-3990. If you have other questions regarding this memo please contact Shelly Pardis at (406) 444-5458 or Barbara Quinn at (406) 444-5457.